

ISSUE DATE: July 24, 2000

DOCKET NO. P-5316,407/PA-99-1239

ORDER APPROVING SALE, GRANTING ETC STATUS, AND ISSUING CERTIFICATE  
OF AUTHORITY AND REQUIRING FILINGS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott  
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Joel Jacobs  
Marshall Johnson  
LeRoy Koppendrayer

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Joint Petition of Citizens  
Utilities Company and GTE Corporation for  
Approval of Citizens' Acquisition of GTE  
Telephone Properties

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**PROCEDURAL HISTORY**

On August 27, 1999, Citizens Utilities Company (Citizens) and GTE Corporation (GTE) and their respective subsidiaries, Citizens Telecommunications Company of Minnesota, Inc. (CTC-Minnesota) and Contel of Minnesota, Inc. d/b/a GTE Minnesota (GTE Minnesota) filed a Joint Petition, pursuant to Minn. Stat. § 237.23, seeking Commission approval of the sale of GTE Minnesota's local telephone operations and associated assets in Minnesota to Citizens Minnesota. The petition also sought a certificate of authority for Citizens to operate in Minnesota pursuant to Minn. Stat. § 237.16 and designation of Citizens as an Eligible Telecommunications Carrier (ETC).

On February 25, 2000, the following parties filed comments: the Department of Commerce (the Department), the Office of the Attorney General Residential and Small Business Utilities Division (RUD-OAG), and certain competing local exchange companies (CLECs) that have interconnection agreements with GTE.<sup>1</sup>

On March 28, 2000, the Mayor of the City of Independence filed a letter seeking the Commission's intervention regarding the deployment of high-speed data lines as ownership of GTE-Minnesota's properties changes hands to Citizens Utilities.

On May 11, 2000, the Department, the RUD-OAG, GTE, CTC-Minnesota, Citizens Utilities and several small CLECs filed a Joint Stipulation and Agreement. The stipulating parties stated that their Joint Stipulation and Agreement outlines numerous conditions and commitments designed to ensure that the sale of properties meets the public interest standard contemplated by Minnesota law.

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<sup>1</sup> The CLECs' comments reflect the views of Ace Telephone Association, HomeTown Solutions, LLC, Hutchinson Telecommunications, Inc., Integra Telecom of Minnesota, Inc., Local Access Network, Mainstreet Communications, LLC, NorthStar Access, Otter Tail Telecom, LLC, Paul Bunyan Rural Telephone Cooperative, Runestone Telephone Association, Tekstar Communications, Inc., U.S. Link, Inc., West Central Telephone Association, and WETEC LLC.

On May 23, 2000, GTE filed the Agreement to Modify and Assign Interconnection Resale and Unbundling Agreement it sent to competitive local exchange carriers indicating that Citizens did not have the same abilities as GTE to perform interconnection, resale and unbundling obligations entered into by GTE.

On June 6, 2000, the Commission received a letter from Senator Douglas Johnson to which was attached a request from a resident in Crane Lake exchange for local calling to the Orr exchange as part of this case.

On June 6, 2000, GTE filed a letter it had sent to the CLECs with which it has interconnection agreements. The letter noted that GTE had received several suggestions from CLECs about certain portions of the Agreement to Modify and Assign Interconnection, Resale, and Unbundling Agreement which was enclosed with the May 23, 2000 letter. The June 6, 2000 letter clarified those portions of the May 23, 2000 letter and included a revised Agreement to Modify and Assign Interconnection, Resale, and Unbundling Agreement. Finally, the letter noted that some carriers had already signed and returned the original modifications and requested that all interconnectors sign and return the revised modifications.

On June 21, 2000, the Commission's Executive Secretary requested additional information from Citizens regarding its request for Eligible Telecommunications Carrier (ETC) status. Specifically, he requested that Citizens provide 1) an affidavit certifying that it satisfied the federal requirements for ETC status and 2) an update of the deployment of SS7 technology in GTE's exchanges.

On June 22, 2000, the Commission's Executive Secretary sent a Notice of Commission Meeting and Opportunity to File Comments to carriers with interconnection agreements with GTE. The Notice was also copied to all parties of record. The Notice specifically asked that carriers objecting to the proposed modifications, or wishing to make other comments, do so in writing to the Commission no later than Monday June 26, 2000. The Notice provided the Commission fax number to facilitate the filing of comments. No comments were received.

The Commission met to consider this matter on June 28, 2000.

## **FINDINGS AND CONCLUSIONS**

### **I. JOINT PETITION FOR APPROVAL OF THE SALE OF LOCAL TELEPHONE EXCHANGES**

#### **A. Commission Review of Proposed Sale**

Minn. Stat. § 237.23 prohibits any telephone company, such as Citizens, from acquiring any property or rights of any telephone company doing business within the state, such as GTE, without the consent of the Commission. The Commission approves such a purchase if the Commission finds that the purchase is in the public interest.

#### **B. Description of Proposed Sale**

GTE and Citizens have entered in to an Asset Purchase Agreement dated August 27, 1999, whereby Citizens will purchase for cash 116 rural local exchanges, with approximately 127,000 access lines from GTE. Citizens' total commitment to purchase GTE exchanges in Minnesota, Arizona, and California is \$664 million totaling 187,000 access lines.

Citizens has incorporated a wholly-owned subsidiary called Citizens Telecommunications Company of Minnesota, Inc. (CTC-Minnesota), which will be the operating company for the exchanges acquired from GTE. Citizens will continue to operate and be regulated as a rate of return company.

### **C. Joint Petitioners' Public Interest Claims for the Sale**

GTE and Citizens asserted several public interest benefits of the proposed sale:

- 1) Citizens's business plan is to offer its customers advanced communications services in rural and suburban markets;
- 2) Citizens will invest \$24 million per year for at least three years to upgrade central offices to be able to offer SS7 signaling services, more dollars in advanced technology than might an RBOC or other large company;<sup>2</sup>
- 3) Citizens will provide bundled local, long-distance, and Internet access, and may expand this package to include cellular, paging and personal communications services;
- 4) Citizens will adopt GTE's existing tariff offerings, but in the future will be able to utilize its management expertise to provide both technological improvement and competitive rates;
- 5) Citizens provides benefits to its employees consistent with those provided by leading US Companies and it supports its local communities;
- 6) Citizens will provide the best customer relations in the industry;
- 7) Citizens expects to maintain the same level of staffing as GTE to serve its existing customers; and
- 8) Citizens expects that the sale will not affect the regulatory authority of the Commission over the services being offered to customers in the transferred exchanges.

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<sup>2</sup> Subsequent events have altered this commitment by Citizens regarding expenditures for SS7 services. In an Order dated April 4, 2000 in Docket No. P-999/CI-93-1176, the Commission accepted and directed GTE to implement a plan under which GTE committed to deploy SS7 technology in 21 of its exchanges by July 2000 pursuant to a detailed schedule of in-service dates for the new switches in these exchanges. In a report to the Commission dated June 26, 2000, Citizens reported that GTE had kept to that schedule as of that date and anticipated replacing the last set of switches on July 26, 2000. By the Commission's April 4, 2000 Order in the 1239 Docket, Citizens is obligated to complete any SS7 deployment in the 21 exchanges that GTE has not completed when Citizens closes on the purchase of GTE's exchanges.

#### **D. Initial Objections to Proposed Sale**

On February 25, 2000, the RUD-OAG, the Department, and several CLECs filed comments:

- The CLECs, among other things, questioned Citizens' ability to provide adequate service support for the CLECs. The CLECs predicted a significant degradation of service that would impose additional costs on them and threaten their ability to offer timely and competitive services.
- The RUD-OAG and the Department argued that the sale raised significant public interest concerns, and that the sale, without appropriate conditions, could cause significant rate increases as well as declines in service quality.
- In addition, the RUD-OAG and the Department asserted that the Companies had not demonstrated that there were public interest benefits from the sale, such as additional investment in the network or the increased provisioning of advanced communications services.

All commenting parties urged the Commission to approve the sale only after imposing conditions to ensure that the sale was in the public interest.

#### **E. Stipulation and Agreement**

On May 11, 2000, all the parties to this matter (GTE, Citizens, Citizens Minnesota, the RUD-OAG, the Department, and the several represented CLECs) filed a Joint Stipulation and Agreement that they said was designed to ensure that the transaction between Citizens and GTE is in the public interest.

The Joint Stipulation and Agreement contained a number of conditions and commitments that the parties stated would protect Minnesota consumers from the sale's risks and advance the public interest in affordable, high quality service, competitive choice and access to advanced, high speed telecommunications services. Subjects addressed by the conditions and commitments included the following: reporting requirements, acquisition adjustment and deferred income taxes, rate cap, exceptions to the rate cap due to a change in the cost of service, advanced services and internet access, service standards, repair commitments, service quality reports, and interconnection agreements. A copy of the Joint Stipulation and Agreement is attached, marked Attachment 1.

The parties agreed that the proposed sale, as modified by the Joint Stipulation and Agreement, is consistent with the public interest. Consistent with this conclusion, the parties jointly recommended expeditious approval of the sale with the conditions and commitments specified in the Stipulation and Agreement.

#### **F. Commission Analysis**

The Commission's approval must be predicated upon a public interest evaluation of the proposed sale. Such evaluation involves consideration of the state goals that the legislature directed the Commission to consider as it executes its regulatory duties with respect to

telecommunications services.<sup>3</sup> Where necessary, the Commission's public interest authority and extensive telecommunications enforcement experience enables it to impose and enforce certain conditions, as necessary, to tilt the balance and result in a sale that is in the public interest.

The Commission has thoroughly reviewed the proposed sale in light of the parties filings and arguments. The parties' Joint Stipulation and Agreement added several important conditions and commitments to the Companies' original proposal, including the following:

1. CTC-Minnesota committed that it would not seek intrastate rate recovery of the acquisition adjustment resulting from the excess of purchase price over net book value from Minnesota ratepayers. See Stipulation and Agreement, Section III, A.
2. CTC-Minnesota committed that it would adopt all GTE's Minnesota intrastate tariffs and cap those rates for a period of four years from closing, with certain specified exceptions. See Stipulation and Agreement, Section IV.
3. CTC-Minnesota committed to deploy high-speed data service of at least 256 kbps in ten specified exchanges within three years of the closing date and, during the same period, to survey customer need for such service in 15 other exchanges (to be identified in conjunction with the Department and the RUD-OAG). If at least 20-percent of the surveyed customers in a particular exchange express a willingness to purchase the service at the surveyed price, CTC-Minnesota will implement high-speed data service in that exchange within five years from the closing date. In addition, the company will ensure toll-free access to at least one Internet service provider in all of its exchanges within one year after the sale closing.
4. CTC-Minnesota committed to comprehensive service quality standards and appropriate remedies and penalties for violations of the service standards. The Stipulation and Agreement outlines the service quality standards for held orders, trouble reports, answer time, installation commitments, out of service, repair commitments, and trouble report and includes the penalties and/or remedies when service quality standards are not met. The set of service commitments will begin on January 1, 2001 and remain in effect until December 31, 2004, unless it is superceded by another set of service standards developed in the context of an Alternative Form of Regulation (AFOR) plan.
5. CTC-Minnesota committed to quarterly reports to the Commission, the Department and the RUD-OAG beginning at the end of the first quarter of the first measurement year. The reports will be submitted no later than 30 days after the end of the quarter and will include data for each month in the quarter. In general, the reports will include the number of complaints; percentage of the installation commitments met within 2 calendar days; total number of orders held for over 30 days; the percentage of calls answered within 20 seconds, the number of calls answered, the number of abandoned calls, and the number of calls receiving a busy signal; percentage of out-of-service trouble reports for regulated services cleared within 24 hours. The service quality reports are tailored to measure service standard compliance and to facilitate the calculation of any remedies and/or penalties.

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<sup>3</sup> Minn. Stat. § 237.011.

The Commission approves the Joint Stipulation and Agreement and finds that they add important public interest value to the proposed sale.

In addition to the public interest benefits added by the Joint Stipulation and Agreement, a key public interest consideration when evaluating a proposed sale is whether it will have a negative impact upon competition in the local market. The Commission has a particular relationship to this public interest concern because the Minnesota Legislature has identified fair and reasonable competition for local exchange telephone services as a priority public interest goal and has given the Commission major responsibilities for promoting that goal. Minn. Stat. § 237.16, subd. 1. Consequently, this consideration will receive special attention and discussion.

Sale of an incumbent local exchange company (ILEC) to another company causes natural concern about the potential for negative impacts upon local competition. The successor company (purchaser) will occupy the ILEC role, a role which (due to the reliance of competing companies on the ILEC through the interconnection agreements) is so important in this stage of the development of local competition. In this case, the performance of the succeeding company (CTC-Minnesota) in its new role as the ILEC in GTE's former exchanges will directly impact the 28 competing local exchange companies (CLECs) that currently have existing or pending interconnection agreements with GTE.

In their initial comments, eight of the 28 CLECs having interconnection agreements with GTE raised significant concerns about the sale's impact upon local competition. These CLECs reported that the proposed new ILEC, Citizens, had refused to be bound by any of the existing interconnection agreements and proposed to require CLECs to renegotiate new interconnection agreements, imposing added costs on CLECs. The commenting CLECs also alleged that Citizens did not have even a rudimentary system for handling CLEC business, that this would impose additional costs on CLECs to do business in a Citizens exchange and threaten the ability of CLECs to offer timely and competitive services. The CLECs indicated, however, that if the Commission imposed appropriate conditions, the sale could be made acceptable.

Subsequently, the eight commenting CLECs participated in the negotiation, drafting, and submission of the Joint Stipulation and Agreement, which (as indicated previously) agrees that the sale, as modified and conditioned in the Joint Stipulation and Agreement, is consistent with the public interest and recommends that the Commission approve it.

Regarding the views of the twenty CLECs who have interconnection agreements with GTE but who were not party to the Joint Stipulation and Agreement, the record indicates that they 1) were notified of the proposed sale to CTC-Minnesota and the changes that CTC-Minnesota has proposed to their interconnection agreements and 2) have made no objection to the sale or to CTC-Minnesota being GTE's successor on their interconnection agreements.

- On May 23, 2000, GTE sent a letter to all the CLECs that have an interconnection agreement with GTE, describing the proposed modifications and enclosing an "Agreement to Modify and Assign Interconnection, Resale, and Unbundling Agreement" (Agreement). Subsequently, some CLECs signed and returned the Agreement to GTE.

- On June 6, 2000, GTE sent a follow-up letter to these CLECs stating that due to several suggestions from CLECs about the Agreement it had revised the Agreement. GTE explained the changes in the Agreement and asked all the CLECs, even those who had already signed and returned the original Agreement, to sign the revised Agreement and return it to GTE.
- On June 22, 2000, the Commission sent a Notice of Commission Meeting (June 28, 2000) and Opportunity to File Comments to carriers with interconnection agreements with GTE. The Notice was also copied to all parties of record. The Notice specifically asked that carriers objecting to the proposed modifications, or wishing to make other comments, do so in writing to the Commission no later than Monday June 26, 2000. The Notice provided the Commission fax number to facilitate the filing of comments. No comments were received.

The Commission concludes, given this degree of notice to the CLECs and their lack of objection, that the affected CLECs believe that the sale of GTE to CTC-Minnesota and the changes that CTC-Minnesota has proposed to the interconnection agreements pose no threat to their ability to compete with CTC-Minnesota. In short, the CLECs' silence is persuasive evidence that the proposed sale, in fact, will not have a negative impact upon local competition in the CTC-Minnesota exchanges.<sup>4</sup>

#### **G. Commission Action**

Based on its review, then, the Commission concludes that the proposed sale, as modified and conditioned by the Joint Stipulation and Agreement, is consistent with the public interest. The conditions and commitments contained in the Joint Stipulation and Agreement protect Minnesota consumers from the sale's risks and advance the public's interest in affordable, high quality service, and competitive choice. Citizens' timetable for providing access to advanced, high speed telecommunications services is less than desired, but does not tilt the balance against this sale. Accordingly, the Commission will approve it.

Moving forward requirements: GTE and Citizens will be required to file a joint affidavit of sale completion within 30 days of the sale completion and to file the accounting journal entries that each company recorded to reflect the sale of assets transaction within 90 days from the date of closing. The companies will submit a proposed customer notice about the intended sale for the Commission Staff review and GTE will send the approved notice with a bill insert in the last bill (or next to last) to be rendered by GTE.

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<sup>4</sup> The Commission clarifies that its conclusion here that the sale does not jeopardize local competition in what will be the former GTE exchanges is not the equivalent of approving the modifications proposed by CTC-Minnesota to the CLECs interconnection agreements. Those modifications must be approved by the Commission and will be reviewed in separate proceedings at a later date.

## **II. DESIGNATION OF CITIZENS AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

The Joint Petition filed by GTE and Citizens asked the Commission to designate CTC-Minnesota as an Eligible Telecommunications Carrier (ETC).<sup>5</sup>

To function as an ETC, a common carrier must offer and advertise throughout its designated service area the services the FCC has decided to support with universal service funding. It must provide these services using at least some of its own facilities.<sup>6</sup> Responsibility for designating eligible telecommunications carriers rests with the state commissions, except in cases in which they lack jurisdiction over the applicant.<sup>7</sup>

In support of its request for ETC designation, Citizens Minnesota provided an affidavit attesting that within its service territories in Minnesota it would use its own facilities or a combination of its own facilities and resale of another carrier's services, to offer the services that are supported by the federal universal service support mechanism, which include:

- voice grade access to the public switched network;
- local usage;
- dual tone multi-frequency signaling or its functional equivalent;
- single-party service or its functional equivalent;
- access to emergency services;
- access to operator services;
- access to interexchange services;
- access to directory assistance;
- toll limitation for qualifying low-income customers.

In addition, CTC-Minnesota committed that it would advertise the availability of these services (and the charges therefor) using general media distribution. No party objected to the Company's request.

The Commission finds that the Company's request meets the federal requirements and is in the public interest. The Commission will, therefore, designate CTC-Minnesota an ETC.

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<sup>5</sup> The federal Telecommunications Act of 1996 is designed to open the nation's telecommunications markets to competition. Its universal service provisions are designed to keep competition from driving rates in rural, insular, and high cost areas to unaffordable levels, by subsidizing them. Only carriers that have been designated eligible telecommunications carriers (ETCs) are eligible to receive these subsidies.

<sup>6</sup> 47 U.S.C. § 214 (e).

<sup>7</sup> 47 U.S.C. § 214 (e) (6).

### **III. CERTIFICATE OF AUTHORITY**

GTE and Citizens requested that the Commission consider the joint petition of August 27, 2000 as Citizens' request for a certificate of authority pursuant to Minn. Stat. § 237.16 and Minn. Rules, Part 7812.0300.

The Commission notes that the information submitted by the parties on behalf of the sale is equivalent to what is required under Minn. Rules, Part 7812.0300, subp. 2 for a petition for authority to provide local facilities-based service.<sup>8</sup>

Based on its review of this material, taking into account the criteria set forth in Minn. Rules, Part 7812.0300, subp. 3, the Commission concludes that Citizens has established that it has the financial, technical, and managerial capability to provide, the services it proposed to provide, consistent with the public interest, including the requirements of Minn. Rules, Part 7812, Minn. Stat. § 237.16, and all other applicable laws, rules, and Commission Orders.

Accordingly, the Commission will grant Citizens a Certificate of Authority to provide telephone service in Minnesota pursuant to Minn. Stat § 237.16. The Commission clarifies that despite this award of a Certificate of Authority, Citizens must file tariffs for the services it proposes to provide before providing service and will be directed to do so.

### **IV. EXTENDED AREA SERVICE BETWEEN THE CRANE LAKE AND ORR EXCHANGES**

#### **A. Background**

On June 6, 2000, the Commission received a letter from Senator Douglas Johnson which referenced and attached a letter from Ms. Susan Hankner. Ms. Hankner, a GTE customer in the Crane Lake exchange, indicated that calls beyond an 8-mile radius of Crane Lake were toll calls. Ms. Hankner also indicated that business conducted over the Internet involved long distance charges and that it would be beneficial if Citizens were required to provide customers in Crane Lake with local calling access to Orr. Ms. Hankner stated that people in Crane Lake have circulated petitions for EAS to Orr but that the process may take as long as two years.

On June 9, 2000, Citizens and GTE responded to a Commission information request, saying that they would have no objection if the Commission chose to accept Ms. Hankner's letter, forwarded by Senator Johnson, as a substitute for an initial petition to implement an EAS proceeding.

On June 27, 2000, Ms. Hankner provided the Commission with petitions signed by approximately 33 of GTE's 380 Crane Lake customers: approximately 9 percent.

#### **B. Commission Analysis**

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<sup>8</sup> A certificate to provide local facilities-based service authorizes the provision of all forms of local service, interexchange service, and local niche service in Minnesota. Minn. Rules, Part 7812.0200, subpt. 2.

The number of customers signing the Crane Lake petition is less than the number required by the Commission's EAS procedures: 15 percent. In a February 26, 1996 Order denying reconsideration of its October 24, 1995 ORDER REACTIVATING THE PROCESSING OF EAS PETITIONS in Docket No. P-999/CI-94-296, the Commission established the procedure for processing EAS petitions. The guideline prescribes filing requirements for the EAS petition as follows:

*Customers that desire installation or removal of extended area service from an exchange shall file a petition with the commission. A copy shall be served on the telephone company that serves the exchange and on the telephone company that serves the exchange to which the installation or removal of extended area service is desired. The petition shall be on a form supplied by the commission. Blank forms shall be available from the commission and in the offices of all telephone companies. The petition shall include:*

- A. the name of the telephone company serving the petitioners' exchange;*
- B. the name of the telephone company serving the exchange to which the installation or removal of extended area service is desired;*
- C. the name of each exchange and the principal city in each exchange;*
- D. the name, address, and telephone number of the person representing the petitioners to whom correspondence and the commission's order shall be sent;*
- E. the name, address, and telephone number of each person signing the petition;*
- and*
- F. a statement that the signing customers desire to have extended area service either installed or removed from the named exchanges.*

*The petition shall be signed by 15 percent or more of the customers or 600 customers, whichever is less, in the petitioning exchange. There shall be one signature per billing number. In the case of a business customer, a duly authorized agent or representative must sign. The sponsor of the petition shall certify that the signatures on the petition are valid. The petition shall be kept on file and made available to the public at the department and in the local exchange office of the telephone companies. Anyone who wishes to challenge the validity of the signatures on the petition shall file a written protest, and shall identify the grounds therefor with the commission within 30 days of service of the petition. Copies of the protest shall be sent to the petition sponsor and to the telephone companies. The commission and the telephone companies shall use customer billing records to check the validity of the signatures.*

The Department's consistent practice has been to require compliance with these provisions before beginning the EAS qualification process, i.e. before requesting the telephone company serving the petitioning exchange to prepare traffic studies of the rate of calling between the petitioning and petitioned exchanges.<sup>9</sup> This practice is sound and comports with the Commission's intent. In short, the usual practice is for the threshold EAS petition

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<sup>9</sup> The traffic studies are necessary to determine whether the petition meets the traffic criterion established in the Commission's February 23, 1996 Order.

requirements (quoted above) to be met before companies are asked to prepare and file information necessary to determine compliance with the further (more substantive) EAS requirements: adjacency, adequate traffic, and adequate customer support.

In this case, however, the Commission finds that there are unique circumstances that warrant a departure from the customary sequence in which the EAS requirements are met. The population and dispersed location of GTE customers in the sparsely populated Crane Lake exchange (a majority of whom are seasonal residents) presents unusual signature collection problems to the petition sponsor. The number of signatories on the petition to-date is near enough to the required 15 percent mark to indicate that it is highly likely that the balance of the required signatures will be provided. While these circumstances would, by themselves, be insufficient, GTE and its successor Citizens, the companies that would do the next major pieces of the processing work<sup>10</sup> have indicated a willingness to do so before the balance of the required signatures are filed, provided it is clear that a valid petition (including the requisite number of signatures) must be provided before the matter proceeds to the polling stage.

In these circumstances, the Commission will direct the companies to file the appropriate traffic studies in Docket No. P-551, 407/CP-00-891, which has been established to process the Crane Lake EAS matter. In so deciding, the Commission clarifies that it is not waiving the threshold requirements for the petition (quoted above) but is simply deferring a finding regarding those requirements at this time. The Commission notes that the petition threshold requirements include but are not limited to the number of signatures element. The Commission does not waive the other elements quoted above and, since the adequacy of the other elements of the petition was not before the Commission at the June 28, 2000 hearing, makes no findings at this time regarding the sufficiency of Ms. Hankner's petition with respect to these other elements. In short, a valid petition (completely compliant with the threshold requirements quoted above) will be required.

### **ORDER**

1. The Joint Application of GTE and Citizens for Approval of Sale, as modified and conditioned by the Joint Stipulation and Agreement, is approved.
2. Citizens' application for a Certificate of Authority to provide telecommunications service in Minnesota is granted.
3. Citizens' request for designation as an Eligible Telecommunications Carrier (ETC) is granted. The Executive Secretary is hereby authorized to make any required federal ETC notification.
4. Within 30 days of the sale closing, GTE and Citizens shall file a joint affidavit of sale completion.

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<sup>10</sup> Specifically, GTE and Citizens stated their willingness to prepare and file traffic studies and cost studies before a valid petition (containing the balance of the required number of petition signatures and meeting the other filing requirements quoted above) is filed.

5. Within 90 days from the date of closing , GTE and Citizens shall file the accounting journal entries that each company recorded to reflect the sale of assets transaction.
6. Citizens shall file tariffs before providing service.
7. The companies shall submit a proposed customer notice for the Commission Staff review and GTE shall send the approved notice with a bill insert in the last bill (or next to last) it renders.
8. Within 60 days of this Order, GTE and Citizens shall submit traffic studies to the Department regarding the traffic between the Crane Lake and Orr exchanges in Docket No. P-551, 407/CP-00-891.
9. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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